

IN THE UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE

In re	)	<b>Chapter 11</b>
	)	
W. R. Grace & Co., <u>et al.</u> , <sup>1</sup>	)	
	)	<b>Case No. 01-01139 (JJF)</b>
	)	
Debtors.	)	<b>(Jointly Administered)</b>
	)	
	)	<b>Objection Deadline: December 9, 2002 at 4:00 p.m.</b>

**FIRST INTERIM FEE APPLICATION OF  
WACHTELL, LIPTON, ROSEN & KATZ  
FOR COMPENSATION FOR SERVICES RENDERED AND  
REIMBURSEMENT OF EXPENSES AS  
SPECIAL CORPORATE COUNSEL TO THE DEBTORS  
FOR THE PERIOD FROM APRIL 2, 2001 THROUGH SEPTEMBER 30, 2002**

Name of Applicant:	Wachtell, Lipton, Rosen & Katz ("Applicant")
Authorized to Provide Professional Services to:	The above captioned debtors and debtors in possession

---

<sup>1</sup> The Debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co.-Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.) CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food 'N Fun company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a/ Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a/ Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc. ), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc., E&C Liquidating Corp., Emerson & Cuming, Inc., ), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a/ Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Company.

Date of Retention: May 3, 2001 (nunc pro tunc to April 2, 2001)

Period for which compensation  
and reimbursement is sought: April 2, 2001 through September 30, 2002

Amount of Compensation sought  
as actual, reasonable, and necessary: \$147,341.50

Amount of Expense Reimbursement sought  
as actual, reasonable, and necessary: \$24,879.53

This is Applicant's first interim application.

Name of Professional or Paraprofessional Person	Position with the Applicant and Number of Years in That Position; Year of Obtaining Relevant License to Practice	Hourly Billing Rate	Total Billed Hours	Total Compensation
Bernard W. Nussbaum	Litigation Partner since 1968/37 years <sup>2</sup> / admitted to Bar in 1962	\$800	7.00	\$5,600.00
Robert B. Mazur	Litigation Partner since 1981/23 years at Applicant/admitted to Bar in 1974	\$675	28.50	\$19,237.50
Harold S. Novikoff	Creditors' Rights Partner since 1981/27 years at Applicant/admitted to Bar in 1976	\$675	29.30	\$19,777.50
Eric M. Roth	Litigation Partner since 1984/23 years at Applicant/admitted to Bar in 1978	\$675	5.90	\$3,982.50
Andrew R. Brownstein	Corporate Partner since 1985/22 years at Applicant/ admitted to Bar in 1980	\$650	36.00	\$23,400.00
Marc Wolinsky	Litigation Partner since 1987/21 years at Applicant/admitted to Bar in 1982	\$650	17.50	\$11,375.00
Douglas K. Mayer	Creditors' Rights Partner since 1995/13 years at Applicant/admitted to Bar in 1987	\$575	1.50	862.50
Andrew J. Nussbaum	Corporate Partner since 1999/9 years at Applicant/admitted to Bar in 1993	\$450	1.00	\$450.00

<sup>2</sup> This includes a short period of time while Mr. Nussbaum served at the White House under the Clinton Administration.

David C. Bryan	Creditors' Rights Partner since 2000/8 years at Applicant/admitted to Bar in 1993	\$400	2.80	\$1,120.00
Deborah L. Paul	Tax Partner since 2001/5 years at Applicant/admitted to Bar in 1991	\$400	30.70	\$12,280.00
Claire Chappell	Litigation Associate/12 years at Applicant/admitted to Bar in 1991	\$395	54.50	\$21,527.50
Dimitry Joffe	Litigation Associate/4 years at Applicant/admitted to Bar in 1999	2001-- \$175 2002 -- \$250	22.50	\$4,125.00
Sean Sullivan	Creditors' Rights Associate/3 years/admitted to Bar in 2000	\$150	11.00	\$1,650.00
Roy Katzovicz	Corporate Associate/3 years at Applicant/admitted to Bar in 2000	\$175	3.40	\$595.00
David B. Lat	Litigation Associate/2 years at Applicant/admitted to Bar in 2001	\$150	20.60	\$3,090.00
Danielle Rolfes	Summer Associate/NA	\$95	64.20	\$6,099.00
Paul Polking	Litigation Paralegal/3 years/NA	2001 -- \$90 2002 -- \$100	68.00	\$6,750.00
Aretina Samuel	Litigation Paralegal/3 years/NA	\$100	6.00	\$600.00
Clara Song	Corporate Paralegal/2 years/NA	\$100	18.00	\$1,800.00
David Cheifitz	Litigation Paralegal/2 years/NA	\$90	33.00	\$2,970.00
Shera Goldman	Head Reference Librarian/16 years/NA	\$125	0.40	\$50.00
	Total:		461.80	\$147,341.50
	Blended Rate:			\$474.18 per hour

**COMPENSATION BY PROJECT CATEGORY<sup>3</sup>**

<u>Project Category</u>	<u>Total Hours</u>	<u>Total Fees</u>
Tax Issues and Corporate Governance 03901-0005	132.00	\$37,850.50
Case Administration 03901-1005	11.90	\$8,520.00
Asset Analysis and Recovery 03901-1507	315.10	\$99,851.00
Fee/Employment Applications 03901-0007	2.80	\$1,120
<b>Total</b>	<b>461.80</b>	<b>\$147,341.50</b>

<sup>3</sup> Attached hereto are the time details maintained by Applicant's professionals and paraprofessionals, which are generated contemporaneously with the services performed.

## EXPENSE SUMMARY

<u>Expense Category</u>	<u>Total Expenses</u>
Telecopy	120.00
Messenger Service	70.00
Courier Service	15,282.18 <sup>4</sup>
Duplicating	3,407.04
Telecopy—Satellite Stations	8.00
Duplicating/Velobinding/Tab	365.95
Local Travel—Attorneys	345.38
Local Travel—Staff	533.59
Local Travel—Messengers	6.00
Out of Town Travel—Attorneys	798.50
Travel—Night Secretaries	35.00
Travel—Night Word Processing	88.43
Lodging	208.52
Proofreading	105.00
Westlaw Recovery	126.90
Word Processing	135.00
Night Secretary	787.50
Library Database Research	4.88
Lexis Research	73.58
Meals—Attorneys	254.25
Meals—Paralegals	211.43
Meals—Support Staff	34.88
Meals—Conference	494.97
Meals—Support Staff Overtime	32.30
Miscellaneous	395.00
Duplicating Overtime	309.75
Messengers Overtime	325.50
Messengers Double-Time	140.00
Secretarial Overtime	180.00
<b>TOTAL</b>	<b>\$24,879.53</b>

<sup>4</sup> Most of the expenses in this category are attributable to Federal Express mailings in connection with document production on behalf of the Debtors..

Dated: New York, New York  
November 18, 2002

WACHTELL, LIPTON, ROSEN & KATZ

By /s/ Harold S. Novikoff

Harold S. Novikoff  
A Member of the Firm  
51 West 52nd Street  
New York, New York 10019  
(212) 403-1000

Special Corporate Counsel to the Debtors

VERIFICATION

STATE OF NEW YORK       )  
  ) ss.:  
COUNTY OF NEW YORK    )

Harold S. Novikoff, after being duly sworn according to law, deposes and says:

1. I am a member of the applicant firm, Wachtell, Lipton, Rosen & Katz ("Wachtell, Lipton").
2. I have personally performed some of the legal services rendered by Wachtell, Lipton, and am generally familiar with the other work performed on behalf of the Debtors by the lawyers and paraprofessionals of Wachtell, Lipton, as special corporate counsel to the Debtors.
3. I have reviewed the foregoing Application and the facts set forth therein are true and correct to the best of my knowledge, information and belief. Moreover, I have reviewed the Local Bankruptcy Rules for the District of Delaware and the Amended Administrative Order Under 11 U.S.C. §§105(a) and 331 Establishing Revised Procedures for Interim Compensation and Reimbursement of Expenses for Professionals and Official Committee Members, signed April 17, 2002, and submit that the Application substantially complies with such rules and Order.

/s/ Harold S. Novikoff  
Harold S. Novikoff

SWORN and SUBSCRIBED  
before me this 18th day of November, 2002.

/s/ Jay W. Song  
NOTARY PUBLIC

Jay W. Song  
Notary Public, State of New York  
No. 01SO6062776  
Qualified in Queens County  
Commission Expires August 13, 2003